



**FEEDBACK on the INITIATIVE: Electricity
markets - removing barriers to power purchase
agreements**
[\(Link\)](#)

Position Paper

Austrian Federal Economic Chamber (WKO)
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WKO Position Paper on the Call for Evidence for the Initiative “Removing barriers to power purchase agreements”. ([Ares\(2026\)779082](#))

The Austrian Federal Economic Chamber (WKO) strongly welcomes the initiative to remove barriers to Power Purchase Agreements (PPAs). PPAs already represent an effective instrument for large electricity consumers to secure long-term price stability for a share of their electricity demand. In practice, this often involves purchasing the energy production (or a defined percentage of it) from a specific wind or photovoltaic (PV) park. In some cases, these arrangements are combined with storage projects. At the same time, PPAs are also beneficial for developers of new PV, wind and energy storage projects, as they provide reliable off-takers and thereby increase planning and investment certainty.

Going forward, the objective must be to build a more liquid PPA market alongside the established wholesale electricity market. In particular, this market should become more accessible to smaller electricity consumers through a high degree of standardization and targeted support. Even today, surplus generation during periods of high wind and solar energy production, together with significant advances in storage technologies and declining storage costs, are making PPAs increasingly attractive for smaller electricity consumers as well. Identifying and removing remaining barriers will be key to further advancing this development.

Although the “Call for evidence” document already covers many relevant barriers, we would like to address several aspects in greater detail below:

On simplifying and standardizing PPAs to enable broader market participation:

Make PPAs as simple as standard supply contracts The Limited experience and missing practical information, combined with the high contractual complexity of PPAs continue to hinder their wider adoption. Increased standardisation should aim to make the conclusion of PPAs significantly simpler - ideally as simple as signing a standard service contract. A goal that remains far from current market reality. Currently available PPA contract template do not adequately meet practical needs, as they are highly complex and require significant customisation. Greater standardisation is needed. It is also particularly important for state-owned companies, which are often required to procure PPAs through tendering procedures. Due to the substantial variation of PPAs depending on technology, location and risk allocation, establishing uniform and comparable tender specifications, which are necessary for non-discriminatory procurement, is currently only feasible to a limited extent. Enhanced standardisation could address these challenges, broaden the pool of potential bidders, increase competition and ultimately improve overall liquidity in PPA markets.

Enable efficient residual supply and balancing for PPA users At the same time, PPAs typically cannot replace conventional electricity supply contracts with retail suppliers, as volumes not covered by the PPA must still be sourced through residual supply arrangements and essential market services must be provided. Many PPA market participants lack the infrastructure required to manage balancing responsibilities independently. Simplification, clearer market roles and targeted knowledge transfer are therefore needed, including measures that foster competition among electricity suppliers to offer efficient and cost-effective PPA structuring and management services.

On the interplay of different legal frameworks:

Streamline regulatory frameworks to support PPAs The high level of regulatory complexity – resulting from the interaction of EU legislation, national electricity law, network tariff regimes and support schemes – remains a key barrier to the wider uptake of (cross-border) PPAs. Policymakers should therefore prioritise the simplification and harmonisation of the regulatory framework, including clearer guidance, streamlined approval processes and greater alignment between support instruments and PPA structures. Reducing regulatory uncertainty and administrative burden is essential to enable broader market participation.

On default-risk mitigation schemes for electricity consumers:

Develop guarantee schemes to reduce default-risks Developers of new renewable energy projects require long-term planning certainty to ensure the bankability of generation investments. At the same time, electricity consumers – particularly SMEs – are often unable to commit to long contract durations or may lack the creditworthiness required by PPA providers. This demand-side credit gap remains a key barrier to scaling PPA markets. Emerging initiatives at EU level and in several Member States, including France and the Netherlands, demonstrate that default-risk guarantee schemes for electricity consumers can provide effective support while limiting the burden on public budgets. Policymakers should therefore establish targeted guarantee mechanisms that improve creditworthiness, enable longer-term contracting and facilitate broader participation in PPA markets

On regulatory heterogeneity of support schemes across EU member states:

Harmonize support schemes to enable PPAs Significant differences currently exist across EU Member States regarding the compatibility of public support schemes with PPAs for renewable energy projects. This regulatory heterogeneity creates uncertainty for investors, limits the scalability of PPA structures and can hinder cross-border investments in renewable generation. Simplifying and harmonising the interaction between support regimes and PPAs is therefore essential. Establishing a more consistent EU approach that explicitly allows and facilitates the combination of public support with PPAs would improve investment certainty and enable cross-border PPA structures.

On RFNBO and cross-border PPAs:

Reduce legal barriers for cross-border PPAs PPAs are a key instrument for the legally compliant production of renewable fuels of non-biological origin (RFNBOs). However, current European requirements – including rules on additionality and geographic correlation – make the use of cross-border PPAs more difficult. These constraints limit the ability to source electricity where it can be generated most efficiently and cost-effectively, and may unnecessarily restrict location choices, particularly in countries where a larger share of the available renewable potential has already been developed. A more flexible regulatory approach needs to be considered in order to facilitate

cross-border PPAs, support the internal electricity market and accelerate decarbonization.

On challenges related to availability and production guarantees:

Address barriers arising from volatile renewable generation A key challenge for renewable-based PPAs is the non-continuous availability of electricity, for example during periods of low wind and solar generation (“Dunkelflaute”). As renewable generation cannot provide firm production guarantees, it is often difficult to contractually secure equivalent green replacement supply. A regulatory framework should therefore allow generation shortfalls under PPAs to be balanced through wholesale market products and electricity trading, while ensuring that the renewable character of the electricity including the link to Guarantees of Origin is preserved. Establishing clear rules for such balancing mechanisms would improve contractual certainty, facilitate bankable PPA structures and support wider market uptake.

On Guarantees of Origin and PPAs:

Ensure linkage between Electricity and Guarantees of Origin in PPAs End-consumers generally expect that a PPA includes not only the physical delivery of electricity but also the transfer of the corresponding Guarantees of Origin (GOs). However, in many Member States there is currently no mandatory legal framework ensuring this linkage. Austria has recently introduced a provision under § 62 of the Electricity Industry and Organisation Act ([Elektrizitätswirtschaftsgesetz](#)) that establishes such a linkage and could serve as a useful model.

On visibility of electricity used for electrolysis in the energy mix:

Ensure visibility of PPA electricity in energy accounting frameworks Electricity procured via PPAs for electrolysis facilities is currently not transparently reflected in the end-consumer energy mix, as these volumes are often allocated to conversion accounts. This creates a risk that a growing share of electricity consumption will no longer be fully captured in official statistics, potentially undermining the transparency and consistency of EU-wide energy reporting. Policymakers should therefore ensure that electricity supplied to electrolysis under PPAs remains visible within energy accounting frameworks and is appropriately reflected in disclosure and statistical reporting.

On consistent accounting and reporting framework:

Streamline certification and reporting for PPAs PPA markets require EU-wide harmonization across different certification, tracking and reporting systems. A consistent approach should enable the principle of “report once”, allowing data to be provided a single time and shared via interoperable interfaces in order to reduce administrative burden. At the same time, such harmonisation must safeguard legal certainty and avoid retroactive interventions that could undermine existing PPA contracts.

On transparency and market platforms:

Develop transparent PPA market infrastructure

Establishing a well-functioning PPA market requires a sufficiently high degree of standardization, which can also serve as a foundation for public default-risk mitigation schemes benefiting electricity consumers. Transparent and reliable market data for such standardized PPA products are essential to enable informed decision-making, reduce transaction costs and build market confidence. However, transparent PPA market platforms remain limited, and standardized solutions are often unavailable. Therefore, measures to increase market transparency, including the development of publicly accessible price indices, benchmark data and dedicated platform solutions for standardized PPA products are needed. Strengthening transparency and supporting the creation of marketplace infrastructure - including solutions tailored to aggregate and pool demand and supply – is crucial to scale PPA uptake.

On pooling of PPAs:

Provide an enabling framework for PPA Pooling

Policy frameworks for PPAs should explicitly reflect the operational realities of energy-intensive production and storage businesses. In particular, PPAs must be designed to offer high flexibility in off-take volumes, enable seasonal consumption profiles, and minimize administrative complexity. Standardized, low-risk PPA models – including options for aggregation, portfolio solutions and storage integration – are essential to allow companies with continuous base demand as well as strongly seasonal load patterns to participate. As the market for large PPA customers is expected to slow, partly because many major off-takers have already concluded PPAs, enabling the construction of new generation capacity will increasingly require the aggregation of demand. In this context, “pool PPAs”, where a defined generation and storage capacity is matched with a group of off-takers, should receive particular policy attention. Policy frameworks for PPAs should therefore promote aggregation models that reflect the operational realities of energy-intensive production and storage businesses. PPAs must also offer flexibility in off-take volumes, accommodate seasonal consumption patterns, and minimize administrative complexity. Standardized, low-risk PPA structures – including pool, portfolio and storage-integrated solutions – are essential to enable participation by companies with continuous base demand as well as strongly seasonal load profiles. Supporting such aggregated PPA models through targeted default-risk mitigation schemes, standardization and knowledge transfer should be a policy priority in order to unlock new renewable generation and storage investments.

On PPAs and accounting:

Provide
accounting
clarity for
PPAs

Given volatile wholesale electricity prices and their interaction with typically fixed or inflation-indexed PPA prices, accounting treatment under IFRS and national accounting standards can be challenging. PPAs often need to be measured at their current value relative to the opportunity costs (i.e. wholesale market price), which can introduce significant valuation volatility.

In periods of strong wholesale price fluctuations, this can cause PPAs to appear similar to speculative positions from an accounting perspective, complicating the assessment of their economic attractiveness. PPAs should therefore be allowed to be reflected in financial reporting in a way that better recognizes their long-term nature, without being disproportionately affected by short-term market price movements.

Policy support is needed to provide greater flexibility in accounting treatment, complemented by clear guidance materials that enable companies to account for PPAs appropriately and consistently in line with their economic substance.

On improving SME access to PPAs:

Provide
Tools to
support SME
in PPA
markets

The lack of clear, practical guidance on the legally secure design of Power Purchase Agreements (PPAs) remains a significant barrier for SME. In particular, many companies underestimate the complexity of PPAs and the fact that such agreements typically cover only the energy price component, while network charges, levies and taxes continue to apply in full.

Policymakers should therefore develop clear, practice-oriented guidelines that explain the structure, cost components and risk allocation of PPAs in an SME-friendly manner. This should be complemented by the creation of standardized, SME-ready contract models at EU and/or national level to reduce legal complexity, transaction costs and negotiation barriers (as already mentioned above).

In addition, dedicated advisory services should be established to support companies in assessing the economic viability of PPAs, selecting suitable contract structures and navigating regulatory requirements. Strengthening guidance, standardization and targeted advisory support is essential to enable broader SME participation in PPA markets.



Contact:

Jürgen Streitner, Director of Environment and Energy Policy Department, +43 590 900-4195, juergen.streitner@wko.at

Mathilda Ketunuti, Environment and Energy Policy Department, +43 590 900-3316, mathilda.ketunuti@wko.at

Barbara Lehmann, Brussels, EU Representation WKO, +32 2 286 58 80 barbara.lehmann@eu.austria.be

